



**National Renewable Energy Laboratory
Request for Proposal Number RCI-2-32049**

***“New Generation Natural Gas Vehicle (NGNGV) Phase II:
Vehicle Integration Projects”***

REQUEST FOR PROPOSALS

READ THIS DOCUMENT CAREFULLY

This solicitation is being conducted under the streamlined procedures for competitive subcontracts established by the National Renewable Energy Laboratory (NREL).

NREL will award a subcontract based on the following.

- All Statement of Work (SOW) requirements being met
- The best combination of:
 - Technical factors (based on qualitative merit criteria)
 - and
 - Evaluated price

Issue Date: **29 April 2002** Due Date: **27 June 2002** Time Due: **04:30 p.m. Mountain Time**

Technical Questions must be received by e-mail no later than 9 May 2002

Pre-Proposal Conference Call on 21 May 2002

1. **Solicitation Type** Best Value Selection
 Fixed Price – Price Participation

Submit offers to and request information from the NREL RFP Contact below

2. **NREL RFP Contact** Kathee Flanagan Roque
 Senior Contract Administrator
 National Renewable Energy Laboratory
 1617 Cole Boulevard, MS 1632
 Golden, CO 80401-3393

Email: kathee_roque@nrel.gov

Electronic (PDF) copies of forms and appendices can be found at:

<http://www.nrel.gov/contracts/rfps/>

3. Project Description

The U.S. Department of Energy and the National Renewable Energy Laboratory (NREL) have initiated a program called the Next Generation of Natural Gas Vehicles (NGNGV), which will, in part, develop one new medium-duty (Class 3-6) CNG vehicle and one new heavy-duty (Class 7-8) LNG vehicle that will be available starting in 2004. These new vehicles must have NO_x emissions at or below 0.5 grams per brake-horsepower-hour (g/bhp-hr) and PM emissions at, or below, 0.01 g/bhp-hr. They represent a significant step-change in natural gas vehicle technology. Perhaps the most ambitious of NGNGV's goals is that these next-generation vehicles must be competitive with conventionally fueled vehicle counterparts in terms of performance and life-cycle economics. While technology development is valuable by itself, the vehicles developed in this program should be commercially attractive and viable.

Under this solicitation, NREL is seeking qualified subcontractors to:

- (1) Demonstrate technologies and methods for controlling emissions of natural gas engines, including technologies such as advanced combustion, emission control and/or after treatment devices to achieve 0.5 g/bhp-hr or lower NO_x emissions and 0.01 g/bhp-hr PM emissions, and be capable of certification to 2004 EPA standards, while targeting to maintain efficiency and/or fuel economy of currently available natural gas engines;
- (2) Fully integrate advanced technology engines into commercially viable chassis applications;
- (3) Complete the development of heavy duty (HD) or medium duty (MD) vehicles in real world, on-road, fleet applications; and
- (4) Commercialize the vehicle.

The project is one of several to be conducted under the NGNGV program. The program is being conducted with the cooperation of the engine and vehicle manufacturers, emission control device manufacturers, the South Coast Air Quality Management District (SCAQMD), and the California Energy Commission (CEC). The U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy is funding the NREL portion of this program.

Complete description of the project is specified in the Statement of Work (see NREL website).

Full background description and requirements for consideration under this solicitation are specified in the Statement of Work.

4. Proposed Subcontract Award and Period of Performance

NREL anticipates multiple firm fixed price subcontracts to be awarded under this procurement; however, NREL reserves the right to use a different subcontract type, should circumstances so warrant. The estimated range for NREL funding participation is \$700,000 - \$1,500,000 per award. Price participation is required (see item 10.d., "Special Considerations for Preparing Price Proposal"). The anticipated period of performance is up to 24 months.

The South Coast Air Quality Management District (SQAMD) and the California Energy Commission may also have an interest in funding a separate award of approximately \$700,000 –\$1,500,000 for projects recommended through the evaluation process of this RFP. Any awards made from those organizations will be in accordance with each organization's procurement policies and procedures.

5. Pre-proposal Conference Call

A preproposal conference call will be held on **May 21, 2002** at the following access number:

Dial-In Number: 1-877-807-9751
Access Code: 265446
Leader: Kathee Flanagan Roque

All prospective offerors are encouraged to participate. An amendment issued to the RFP providing record of the conference call (questions and answers) will be posted on NREL's Web site for this solicitation (www.nrel.gov/contracts/rfps).

Written questions regarding the solicitation document or the requirements to be satisfied under the proposed subcontract(s) will be responded to during the preproposal conference call, *provided the questions are received by the NREL RFP Contact by May 9, 2002* (e-mail only, please). Other questions that may arise immediately before or during the preproposal conference may be answered during the conference call or in an amendment to the RFP. A copy of all questions, together with NREL's responses, will be posted on the Web site as soon as practicable.

Limited dial-in lines are available; therefore, the conference call *may not exceed one phone line per proposing team*. However, multiple people can be on each in-coming line. *Pre-registration for participation in the preproposal conference call is required; therefore, please submit the name(s), mailing and e-mail address(es), and telephone number(s) of the proposed attendee(s) to the RFP Contact, Kathee Flanagan Roque, at kathee_roque@nrel.gov, not later than May 16, 2002.*

6. Competitive Negotiated Subcontract Using Best Value Selection

This solicitation shall be conducted using Best Value Selection that results in an award that is most advantageous to NREL based on the best value combination of (a) evaluated qualitative merit, and (b) evaluated price (cost) of the offers submitted.

Best Value Selection is based on the premise that, if all offers are of approximately equal qualitative merit, award will be made to the offeror with the lowest evaluated price (cost). However, NREL will consider awarding to an offeror with a higher evaluated price (cost) if the offer demonstrates the difference in price (cost) is commensurate with the higher qualitative merit. Conversely, NREL will consider awarding to an offeror with a lower evaluated qualitative merit if the price (cost) differential between it and other offers warrant doing so.

7. Qualitative Merit Criteria for Best Value Selection

The Statement of Work (see NREL website below) in this Request for Proposals serves as NREL's baseline requirements that must be met by each offer.

The qualitative merit criteria establish what NREL considers the technical factors valuable in an offer. These qualitative merit criteria are performance-based and permit selection of a higher priced offer that provides higher qualitative merit.

The following qualitative merit criteria will be used by evaluators to determine the technical value of the offer in meeting the objectives of the solicitation.

Each qualitative merit criteria provided below indicates its evaluation weight in parenthesis (*%) as follows:

7.1 Feasibility of Proposed Technical Approach (25%)

- a. Proposals shall include a Gantt (timing) chart outlining task activities and clearly showing major milestones and deliverables.
- b. Proposals shall include information regarding the technical strategies to be used to achieve the task outcomes:
 - (i) Clearly define and detail proposed activities under each task.
 - (ii) Clearly specify the engine and chassis (targeted emissions, torque, horsepower, displacement, aftertreatment, chassis type, GVWR, transmission).
 - (iii) Discuss technical methods and concepts that will be used:
 - Explain new hardware and technologies;
 - Identify vehicle systems that will need to be modified, and fully describe.
 - (iv) Identify the number of vehicles to be part of on-road development.
 - (v) Discuss the duration of the on-road development activity.
 - (vi) Clearly show deterioration factor (DF) determination timing on Gantt chart.
 - Specify if these are new or existing DFs.
 - (vii) Identify the targeted certification level.
 - (viii) Clearly show the commercialization timing for the final product on the Gantt chart.
- c. Proposals shall identify fleet partners, demonstrate their commitment, and provide the rationale for their selection to participate in this project.

7.2 Commercial Viability of Selected Platform and Proposed Activities (25%)

- a. Proposals shall identify any known and potential customers of the commercial product being developed under this project.
- b. Proposals shall identify market strategy (target vocation of the vehicle, regional and/or federal incentives, estimated sales volumes) for the commercialization of the product of this project.

7.3 Petroleum Reduction Impacts (Total Potential Based on Sales Volumes and Engine Performance) Using the Methodology Provided (15%)

- a. Total petroleum reduction benefits will be determined by NREL. Please provide the following information in a table format so it can be easily identified. Clearly

demonstrate all assumptions and justification for sales volumes and annual fuel consumption/mileage/fuel economy.

- Annual mileage for the new natural gas vehicle
- Average fuel economy (miles per diesel gallon equivalent) or fuel consumption (diesel gallons equivalent /yr) for the diesel vehicle being replaced (the baseline vehicle)
- Anticipated sales volume in years one, two, and three

7.4 Demonstrated Experience and Past Performance (15%)

- a. Proposals shall clearly identify all key personnel who would be doing work under the proposal [industry lower-tier subcontractor(s) and fleet partner(s)], including their level of effort in labor hours.
- b. Proposals shall describe any previous medium or heavy duty natural gas vehicle projects or work that is related to this project or similar in scope and purpose, in particular, any experience with successfully producing and marketing these vehicles.
- c. Proposals shall identify all partners on the project, their portion of the price participation (if any), and *describe and provide evidence of their level of commitment to the project.*

7.5 Air Quality Benefits (Total Potential Based on Sales Volumes and Engine Performance) Using the Following Methodology (10%)

- a. Proposals shall include the NO_x, PM, and formaldehyde emission levels targeted for development, and the planned certification levels (g/bhp-hr or g/mile).
- b. Total air quality benefits shall be determined using the Carl Moyer Program methodology. Please provide the following information in a table, so that that NREL may calculate these benefits. *Clearly demonstrate all assumptions and justification for annual fuel consumption and sales volume estimates.*
 - Type of vehicle: Refuse hauler, urban bus, other medium duty (14,001 to 33,000 lbs. GVWR), other heavy duty (over 33,000 lbs. GVWR);
 - Model year the vehicle will be available;
 - For refuse vehicles: Gallons per year used in the vehicle;
 - For urban busses and other medium and heavy duty vehicles: miles per year traveled;
 - Total sales volume projected for the vehicle in years one, two, and three.

7.6 Appropriate Level of Price Participation (10%)

- a. Some percentage of price participation is required; 50% price participation is desired.

- b. The higher the percentage of price participation to the total proposed price, the greater the consideration for that proposal.
- c. Price Participation is clearly defined, quantifiable, and includes the considerations found in Section 10 – Price Proposal Instructions.

8. Price (Cost) Evaluation for Best Value Selection

After evaluation of the qualitative merit criteria, the following price (cost) evaluation will be used to determine the best value of the offer in meeting the objectives of the solicitation.

The combined qualitative merit value will be considered equally important to the price (cost).

9. Evaluation Process

NREL will evaluate offers in two general steps:

Step One—Initial Evaluation

An initial evaluation will be performed to determine if all required information has been provided for an acceptable offer. Offerors may be contacted only for clarification purposes during the initial evaluation. Offerors shall be notified if their offer is determined unacceptable and the reasons for rejection will be provided. Unacceptable offers will be excluded from further consideration.

Step Two—Discussion, Selection, Negotiation, and Award

All acceptable offers will be evaluated against the Statement of Work (see NREL website) and the qualitative merit criteria listed above. Based on this evaluation, NREL has the option, depending on the specific circumstances of the offers received, to use one of the following methods of selection:

- (a) make selection(s), conduct negotiations, and make award(s) without discussions;
- (b) conduct parallel negotiations with all offerors and make award(s);
- (c) conduct discussions with all offerors, select successful finalists, conduct parallel negotiations with successful finalists, and then make award(s);
- (d) conduct discussions with all offerors, conduct parallel negotiations with the finalists, select successful finalist(s), and then make award(s);
- (e) select successful finalists, conduct successive negotiations, and make successive selections and awards;
- (f) make no award(s).

10. Proposal preparation information

- a. The proposal must include a **title page**, including the RFP title and number, name of your organization and principal investigator (with postal/delivery address, telephone and fax numbers, and email address). The title should be succinct and capture the essence of your offer.
- b. **Formatting** instructions:
 - A page is defined as one side of an 8 ½" x 11" sheet of paper.
 - Use Arial, 12-point font.

- Maintain at least 1-inch margins on all sides.
 - Copies may be either single- or double-sided.
- c. A **technical proposal** in an *original and eleven (11) copies* directed toward meeting the requirements of NREL's Statement of Work (see NREL website) and qualitative merit criteria (see item 6 above). *The technical proposal shall be organized by task. The total proposal shall not exceed twenty (20) pages (resumes not included in page count).*

The technical proposal is required to include a detailed project timeline or Gantt chart that clearly shows all deliverables and proposed milestones for the entire project. This Gantt chart shall also indicate the proposed payment schedule in conjunction with proposed project milestones and deliverables.

- d. The **price proposal** shall consist of the following components: Completed "**Price/Cost Proposal**" forms in an *original and eleven (11) copies* submitted with the offer (see Attachment 1 to this RFP). An individual offeror's price proposal standard format can be used if the data included is substantially the same as the NREL form. The offeror's price and delivery terms must be valid for 90 days from the date of the offer. *The price/cost proposal must include support documentation for all categories of the proposed price, **for each task and a total project summary**. The price proposal should separate price/cost for lower-tier subcontract(s), and include support documentation for all categories of the proposed lower-tier subcontract(s) price/cost, also for each task as well as total project cost summary* (see Price/Cost Proposal preparation instructions – Attachment 1 to this RFP).

Please note that inclusion of the support documentation required for indirect rates is essential for timely and efficient subcontract award. Failure to include this information in your proposal may cause delay in the proposal evaluation and audit processes.

Special Considerations for Preparing Price Proposal

- The offeror must include price participation in its proposal, demonstrated by the offeror's contribution of a percentage of the effort for the project.
- Under price participation for this project, it is a requirement that all materials, supplies, and equipment be procured as price participation. Therefore, title to such materials, supplies, and equipment shall remain with the entity providing the price participation. The retention of title to such materials, supplies, or equipment with that entity shall be subject to the conditions below:
 - The Subcontractor shall not charge depreciation, amortization, or use charges for the materials, supplies, or equipment under any other Federal Government contract, subcontract, cooperative agreement, or grant, either during subcontract period of performance or in the future.
 - Said materials, supplies, or equipment shall be used for the benefit of research and development and deployment under any subsequent subcontract and any extension thereto.

- Under fixed price – price participation subcontracts, no profit is allowed and *should not be proposed* as part of NREL's price or Offeror's price participation.
 - Inclusion of Optional Task 4 (in the Statement of Work) is required in the offeror's proposal. However, it may be an optional task for award, depending upon funding availability.
- e. A completed "**Representations and Certifications**" form in an *original and three (3) copies* (see NREL website).
 - f. A **cover letter** including a *summary statement* indicating acceptance or any change with reason of the proposed Statement of Work.
 - g. If applicable, the cover letter shall also include a **summary of deviations/exceptions** (if any) to the subcontract schedule and the standard terms and conditions and/or the intellectual property terms and conditions in the appendices. The offeror will explain any exceptions (including deviations and conditional assumptions) taken with respect to the subcontract schedule and terms and conditions. *Any exceptions must contain sufficient amplification and justification to permit evaluation.* Such exceptions will not, of themselves, automatically cause an offer to be termed unacceptable. A large number of exceptions or one or more significant exceptions not providing any obvious benefit to the Department of Energy or NREL may, however, result in rejection of such offer as unacceptable.
 - h. The cover letter shall also include a statement that your organization is aware of the Small Business (Lower-Tier) Subcontracting Plan requirements stated in this RFP. The offeror shall submit a formal Small Business Lower-Tier Subcontracting Plan within five working days of notification from NREL of its intent to negotiate toward award of a potential subcontract.
 - i. This solicitation does not allow the submittal of facsimile or electronic proposals.
 - j. This solicitation does not commit NREL to pay costs incurred in the preparation and submission of a proposal in response to this RFP.

11. Solicitation Provisions—full text provided

a. Late submissions, modifications, and withdrawals of offers

Offers, or modifications to them, received from qualified organizations after the latest date specified for receipt may be considered if received prior to award, and NREL determines that there is a potential price (cost), technical, or other advantage, as compared to the other offers received. However, depending on the circumstances surrounding the late submission or modification, NREL may consider a late offer to be an indication of the offeror's performance capabilities, resulting in downgrading of the offer by NREL evaluators in the technical evaluation process. Offers may be withdrawn by written notice or telegram (including mailgram) received at any time before award. Offers may be withdrawn in person by an offeror or an authorized representative, if the representative's identity is made known and the representative signs a receipt for the offer before award.

b. Restrictions on disclosure and use of data

Offerors who include in their proposals data that they do not want disclosed to the public for any purpose or used by the government or NREL, except for evaluation purposes shall—

1. Mark the title page with the following legend:
“This offer includes data that shall not be disclosed outside the government or NREL and shall not be used or disclosed—in whole or in part—for any purpose other than to evaluate this offer. If, however, a subcontract is awarded to this offeror as a result of—or in connection with—the submission of this data, the government or NREL shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting subcontract. This restriction does not limit the government or NREL’s right to use information contained in this data if obtained from another source without restriction. The data subject to this restriction are contained on pages [insert page and line numbers or other identification of pages] of this offer”; and
2. Mark each page of data it wishes to restrict with the following legend:
“Use or disclosure of data contained on this page is subject to the restriction on the title page of this offer.”

c. Notice of right to receive patent waiver (derived from DEAR 952.227-84) and technical data requirements.

Offerors (and their prospective lower-tier subcontractors) in accordance with applicable statutes and Department of Energy Acquisition Regulations, (derived from DEAR 952.227-84) have the right to request a waiver of all or any part of the rights of the United States in inventions conceived or first actually reduced to practice in performance of the subcontract that may be awarded as a result of this solicitation, in advance of or within thirty (30) days after the effective date of subcontracting. Even where such advance waiver is not requested or the request is denied, the subcontractor will have a continuing right during the subcontract to request a waiver of the rights of the United States in identified, individual inventions.

Domestic small business firms, educational institutions, and domestic nonprofit organizations normally will receive the Patent rights clause—retention by the subcontractor—which permits the offeror to retain title to subject inventions, except in subcontracts involving exceptional circumstances or intelligence activities. Therefore, domestic small business firms, educational institutions, and domestic nonprofit organizations normally need not request a waiver.

If an offeror’s proposal includes a lower-tier subcontract to another organization, that lower-tier organization’s business type will determine the applicable intellectual property provisions that will apply to the lower-tier subcontract. Note that a lower-tier subcontractor may apply for a patent waiver under the same conditions as the offeror.

Under a research, development, and demonstration project, the Department of Energy and NREL are unable to ascertain, prior to receipt of offers or performance of the project, their actual needs for technical data. It is believed that the requirements contained herein are the basic needs of the Department of Energy and NREL.

However, if the offeror indicates in its proposal that proprietary data will be used or withheld under its proposed effort, the Department of Energy and NREL reserve the right to negotiate appropriate rights to the proprietary data. The appropriate rights may include "Limited Rights in Proprietary Data" and/or "Subcontractor Licensing."

d. Disclaimer

NEITHER THE UNITED STATES; NOR THE DEPARTMENT OF ENERGY; NOR MIDWEST RESEARCH INSTITUTE, NATIONAL RENEWABLE ENERGY LABORATORY DIVISION; NOR ANY OF THEIR CONTRACTORS, SUBCONTRACTORS, OR THEIR EMPLOYEES MAKE ANY WARRANTY, EXPRESS OR IMPLIED, OR ASSUME ANY LEGAL LIABILITY OR RESPONSIBILITY FOR THE ACCURACY, COMPLETENESS, OR USEFULNESS FOR ANY PURPOSE OF ANY OF THE TECHNICAL INFORMATION OR DATA ATTACHED OR OTHERWISE PROVIDED HEREIN AS REFERENCE MATERIAL.

e. Solicitation disputes

The General Accounting Office and the Department of Energy do not accept or rule on disputes for solicitations for Requests for Proposals issued by Management and Operating Contractors for the Department of Energy (operators of Department of Energy National Laboratories). Should an offeror have any concerns regarding the NREL solicitation process or selection determination, the offeror may contact Marty Noland, Advocate for Commercial Practices, at 303.384.7550. NREL will address each concern received from an offeror on an individual basis.

12. Solicitation provisions—incorporated by reference—general access

This solicitation incorporates one or more solicitation provisions by reference with the same force and effect as if they were given in full text. The following documents can be downloaded from the NREL **general access** website at <http://www.nrel.gov/contracts/rfps>. The "Related Documents" link provides access to the standard appendices and forms, or the NREL RFP Contact (see item 2) will make full text available upon request.

- Statement of Work dated 04/22/02
- Sample Subcontract Schedule
 - Fixed Price – Price Participation
- NREL Standard Terms and Conditions
 - Appendix B-2, dated 07/24/00
- NREL Intellectual Property Provisions
 - Appendix C-1 or C-2, dated 10/22/98
- NREL Clauses for Subcontracts in Excess of \$500,000
 - Appendix D-1, dated 07/28/00
- Small Business (Lower-Tier) Subcontracting Plan, applicable to subcontracts in excess of \$500,000 (does not apply to Small Business Offerors)
 - Becomes Appendix F in final Subcontract Schedule

- NREL Representations and Certifications for Subcontracts

13. Solicitation provisions – attached to RFP

This solicitation incorporates the following attachments:

- NREL Price/Cost Proposal Form and Instructions (Attachment 1)

14. NAICS Code and Small Business Size Standard

The North American Industry Classification System (NAICS) code [formerly standard industrial classification (SIC)] for this solicitation and small business size standards for each are as follows:

541710

\$ 5.0 million in annual receipts*

*Annual receipts of a concern means the annual average gross revenue for the last three fiscal years.

ATTACHMENT 1

PRICE/COST PROPOSAL FORM						Page No. of	
Offeror's Name and Address:				NREL Solicitation Document Number:			
				Title of Proposed Effort and Task No., Phase No., or Project Total, As Applicable:			
Division or Location Where Work is to be Performed				Type of Subcontract: Firm Fixed Price with Price Participation Circle One: New Subcontract Modification Letter Subcontract Other (Specify)			
Point of Contact:				Period of Performance:			
Telephone Number:				Total Amount of Task No. _____ \$ _____ Proposal Summary Total \$ _____			
DETAIL DESCRIPTION OF COST ELEMENTS							
1. DIRECT MATERIALS (Attach Itemized Listing for all Purchased Parts, Purchased Items or Services, Raw Materials, Standard Commercial Items, or Interdivisional Transfers at Other than Cost)				Estimated Cost	Total Estimated Price/Cost	Attachment Reference	
TOTAL DIRECT MATERIALS							
2. MATERIAL OVERHEAD (Rate % x \$ Base)							
3. DIRECT LABOR (Specify) -- Additional Sheet May be Used	Estimated Hours	Hourly Rate	Estimated Costs				
TOTAL DIRECT LABOR							
4. LABOR OVERHEAD & FRINGE BENEFITS (Specify Cost Center)	OH Rate	x Base	= Est. Cost				
TOTAL LABOR OVERHEAD							
5. EQUIPMENT TO BE PURCHASED OR FABRICATED FOR PROJECT (If a direct cost, itemize on attached sheet)	Number	Unit Cost	Est. Cost				
6. TRAVEL (If a direct cost, itemize on attached sheet)							
7. LOWER-TIER SUBCONTRACTORS (Include a similar breakdown on attached sheet or form)							
8. CONSULTANTS (Identify on a separate sheet -- purpose -- rate -- days -- expenses)							
9. OTHER DIRECT COSTS (Identify on a separate sheet)							
10. TOTAL PRICE/COST AND OVERHEAD							
11. GENERAL AND ADMINISTRATIVE EXPENSE/INDIRECT EXPENSE (Specify Rate_____ % and Cost Element Nos. _____)							
12. Royalties (Provide Required Supporting Documentation)							
13. TOTAL PRICE/COST							
14. SUBCONTRACTOR'S PRICE PARTICIPATION			Rate_____ %				
15. FACILITIES CAPITAL COST OF MONEY (Provide Required Supporting Documentation)							
16. TOTAL PRICE/COST PROPOSED TO NREL							

PRICE/COST PROPOSAL FORM (CONTINUED)	
This price/cost proposal is submitted for use in connection with and in response to <i>(Describe Solicitation Document)</i>	
and reflects our best price as of this date, in accordance with the Proposal Preparation Instructions to Offerors and the Footnotes and Additional Instructions which follow.	
Authorized Official's Typed Name and Title	Signature Date
Have you been awarded any contracts or subcontracts for the same or similar items within the past three (3) years? <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, identify items(s),customer(s) and subcontract number(s).	
What is your organization's fiscal year? From _____(month/day) To _____(month/day)	
Has any Executive Agency of the United States Government performed any review (audit) of your accounts or records in connection with any other Government Prime Contract or Subcontract within the past twelve (12) months? <input type="checkbox"/> Yes <input type="checkbox"/> No (If yes, identify below)	
Name, Address, Phone and E-mail Address of Reviewing Office and Contact	

PRICE/COST PROPOSAL PREPARATION INSTRUCTIONS

Price/Cost Proposal: Provide complete, current, and accurate cost or pricing data in accordance with Federal and Department of Energy Acquisition Regulations. **The Price/Cost Proposal shall be completed for each task and project total summary**, then signed by an authorized official for your organization.

In order to ensure that all information provided in the Price/Cost Proposal is complete and accurate and includes the necessary detailed documentation to allow NREL to perform the required review and evaluations in a timely and efficient manner, the following information should be provided for the individual cost categories or cost elements. **Failure to submit the required information may delay the review, negotiation, and award of a subcontract. If available, providing of a copy of a recent (within the past 12 months) DCAA or other government cognizant agency audit report of your organization's/partner's direct and indirect rates will expedite review and evaluation of the price proposals.**

Also note that, for each cost category, if the proposed effort is to run over more than one of your organization's fiscal years, and different rates are proposed for each fiscal year, then you will need to provide schedules of cost by "Fiscal Years".

- A. **Direct Materials**--Direct materials are normally purchased parts, purchased items or services (e.g., welding, minor fabrication, etc.), raw materials, standard commercial items, interdivisional transfers at other than cost, etc., **valued at less than \$5,000**. All direct materials should be identified separately on an attached sheet with the quantity, unit price, and total amount provided. Further, price/cost proposal should indicate whether the unit price for each direct material item was determined and documented using written vendor quotes, catalog prices, prior invoices, engineering or shop estimates, or some other method with an explanation provided. Provide supporting documentation (cost or pricing data) such as the written vendor quotes, copies of the catalog page indicating the price, or prior invoices for all direct material items.
- B. **Direct Material Overhead**--If accounting system includes material overhead, propose such indirect costs in this area. *Indicate the rate(s) used and provide a schedule of cost included in the pool, by cost element, by fiscal year, and corresponding basis of allocation. Fiscal year 2002 forward should be based on a combination of actuals to date, depending on your current fiscal year, plus projections from your three- to five-year business plan.* If the proposed indirect rate is a government-approved rate (e.g., provisional, forward pricing, etc.) describe the nature of the agreement and provide a copy of the agreement. If the proposed indirect rate is not a government-approved rate, provide the method of computation and application of the indirect expense, including cost breakdown and showing trends and budgetary data to provide a basis for evaluation of the reasonableness of the proposed rate(s).
- C. **Direct Labor**--Direct labor should indicate the hours, hourly rate, and total for each individual or category of labor proposed, on a per task basis as well as project total. Indicate whether the basis for the proposed direct labor hourly rates is the current actual salary rate of the individual, the current actual average of the proposed categories, the current actual average of the proposed individuals within a category, and whether an escalation factor was applied. Provide verification of labor rates, either with a copy of a recent (within the past 12 months) DCAA audit report, or copies of current, actual payroll documentation. If current actual rates are used, then labor must also be broken out by

fiscal year, and include a detailed explanation of the escalation methodology employed for out year(s).

- D. **Labor Overhead and Fringe Benefits**--If accounting system includes labor overhead, propose such indirect costs in this area. Indicate the rate(s) used and provide a schedule of pool cost, by fiscal year, by cost element, complete with a schedule of basis of allocation. Please provide the cost elements that are included in the Direct Labor Overhead and Fringe Benefits pool. *Fiscal year 2002 forward should be based on a combination of actuals to date, depending on your current fiscal year, plus projections from your three- to five-year business plan.* If the proposed labor overhead is a government-approved rate (e.g., provisional, forward pricing, etc.) describe the nature of the agreement and provide a copy of the agreement. If the proposed labor overhead is not a government-approved rate, provide the method of computation and application of the labor overhead expense, including cost breakdown and showing trends and budgetary data to provide a basis for evaluation of the reasonableness of the proposed rate(s). If fringe benefits are not included in direct labor and are not a portion of the labor overhead, identify fringe benefits in this area and provide the same type of information concerning fringe benefits as required for labor overhead.
- E. **Equipment to be Purchased or Fabricated for Project**—As stated above, any item exceeding \$5,000 is considered to be equipment. Indicate the proposed special equipment to be purchased or fabricated, the quantity, the unit price and the total amount, and the purpose of the special equipment. Note that if a piece of special equipment is to be fabricated and the purchase price of the components is being proposed, these components should be listed individually as a portion of the total cost for the piece of equipment. The cost of a fabricated piece of equipment should include the design, fabrication, and installation labor for the piece of equipment and all associated indirect costs. Provide substantiating documentation (copies of quotes for price, price list, discounts received, etc.) for each piece of equipment in each task. Also confirm that no federal funds will be applied to equipment purchases, as stated in the price participation requirements above.
- F. **Travel**--Economical and reasonable travel shall be proposed. For example, coach airfare, meals/incidental (M&IE) expenses at applicable Federal Travel Regulation rates (<http://policyworks.gov>), and when possible, lodging accommodations within applicable Federal Travel Regulation Rates. Provide the following information for each trip proposed under the project:
- Purpose of the trip
 - Destination
 - Number of travelers
 - Duration of trip and approximate date of trip
 - Airfare
 - Ground transportation
 - Per diem (meals and incidentals)
 - Lodging
 - Miscellaneous expenses (describe)
- G. **Lower-tier Subcontractors**—Lower-tier subcontractors are defined as entities that will be performing work specifically in support of the work effort. Identify each proposed lower-tier subcontractor and obtain a cost proposal containing the same information required above and in the same format from each proposed lower-tier subcontractor.

Each lower-tier subcontractor's price proposal should contain the appropriate cost or pricing data (supporting documentation) as described in this Attachment.

- H. **Consultants**--Identify each proposed consultant, the consultant's qualifications, the daily fee, the number of days, expenses, and purpose of the consulting services. Provide supporting documentation concerning the reasonableness of the proposed daily fee and expenses.
- I. **Other Direct Costs**--Include any direct costs not covered by one of the other cost elements in this area. A detailed list of each cost item including description, quantity, unit price, total amount and basis for the estimated cost is required. An example of this type of costs could be publications in scientific journals with the journal identified, the number of pages for the article and the amount per page indicated. If any item exceeds the \$5,000 value ceiling, it must be considered as Equipment rather than ODC.
- J. **Total Price/Cost and Overhead**—Must reflect the total resources proposed for the scope of effort in NREL's RFP.
- K. **General and Administrative Expenses/Indirect Expense**--If accounting system includes general and administrative expense, propose such indirect costs in this area. Indicate the rate(s) used and provide the same information required in B. & D. above. *Fiscal year 2002 forward should be based on a combination of actuals to date, depending on your current fiscal year, plus projections from your three- to five-year business plan.* If the proposed general and administrative expense rate is a government-approved rate (e.g., provisional, forward pricing, etc.) describe the nature of the agreement and provide a copy of the agreement. If the proposed general and administrative expense rate is not a government-approved rate, provide the method of computation and application of the general and administrative expense, including cost breakdown and showing trends and budgetary data to provide a basis for evaluation of the reasonableness of the proposed rate(s).
- L. **Royalties**--If proposing royalty payments, provide on a separate page the following information on each separate item of royalty or license fee: name and address of the licensor; date of license agreement; patent numbers; patent application serial numbers or other basis on which the royalty is payable; brief description including any part or model numbers of each contract item or component on which the royalty is payable; percentage or dollar rate of royalty per unit; unit price of contract item; number of units; and total dollar amount of royalties. In addition, if specifically required by the Subcontract Administrator, a copy of the current license agreement and identification of applicable claims of specific patents shall be provided.
- M. **Total Price/Cost**--This section is self-explanatory.
- N. **Price Participation**— Provide the proposed price participation, in percentage of total project cost and dollar amount, for a fixed price type subcontract. Note that waived profit/fee shall not be considered as part of required cost sharing or price participation of allowable costs. No profit is allowed and should not be proposed as part of NREL's price of Offeror's price participation.
- O. **Facilities Capital Cost of Money**--If accounting system includes Facilities Capital Cost of Money, propose such indirect cost in this area. Please review the requirements contained in the Federal Acquisition Regulation, Part 30 Cost Accounting Standard (48 CFR 9904.414) B cost of money as an element of the cost of facilities capital. This cost

element is allowable only if the requirements are met. If Facilities Capital Cost of Money is proposed, provide full documentation to substantiate your calculation as required by the FAR reference.

- P. **NREL Price/Cost** This section should indicate the total price proposed to NREL for the work effort.